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Indonesian Mainstream Media in the Digital Age: Corporate Convergence, Low-quality News and Staff Exploitation

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News as a business, especially in its most traditional press and broadcast models, has been suffering from shrinking readership and viewership, and thus becoming less profitable. Photo of man reading a newspaper taken in Jakarta on 19 December 2022 by ADEK BERRY / AFP.

EXECUTIVE SUMMARY

- News as a business, especially in its most traditional press and broadcast models, is suffering from shrinking readership and viewership, and thus becoming less profitable. The digital revolution has ushered significant changes into Indonesia's mainstream media landscape.
- In response to the rise of digital media, mainstream outlets have implemented various strategies to remain relevant and competitive. Corporate mergers in the already highly oligopolistic media industry have created a less hospitable environment for smaller players. The bigger players are better able to create multi-media platforms to reach their audiences.
- Faced with diminishing advertising revenues, the media conglomerates have been forced to cut costs in the creation of news content, such as in their consolidation of production facilities and pooling of resources, to be shared across their respective array of multiple platforms for distribution. One significant consequence of such consolidation efforts has been the cutting of jobs for journalists.
- These changes have raised questions about a likely decline in the quality of journalism and news content. There seems to be a trend towards acquisition of news from common sources, with less scope for independent investigation or in-depth analysis and commentary. Responsible and good quality journalism is a matter of public interest, but it would be an uphill journey to muster the political will or funding to deliver the desired policy interventions.

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INTRODUCTION

Indonesia's mainstream media landscape has always been oligopolistic and capital-intensive. The diversity of content needed to cater to its diverse citizenry has never been satisfactory due to the fact that the industry is controlled by a few powerful conglomerates (Nugroho, Putri and Laksmi, 2012). Contrary to earlier expectations that the growth of the internet would threaten the power of media moguls (Couldry and Curran, 2003), Indonesia's digitalisation in the early 2000s enabled a select number of conglomerates to further consolidate the industry into a small number of multi-platform companies (Tapsell, 2017). The country's media industry is currently controlled by eight politically-connected individuals – viz., Perindo Party chairman Hary Tanoesoedibjo's MNC Group, Nasdem Party chairman Surya Paloh's Media Group, Golkar Party politician Aburizal Bakrie's Visi Media Asia, Minister of State Owned Enterprises Erick Thohir's Mahaka Media, ex-minister Chairul Tanjung's Trans Corp, Jakob Oetama and PK Ojong's KG Media, EMTEK founder Edy Sariaatmadja's SCMA Group, and Lippo Group heir James Riady's B Universe (previously Berita Satu) (Syarief, 2022). But even these powerful conglomerates have had to adapt to more powerful trends disrupting the industry. This paper discusses how Indonesia's media conglomerates have had to make significant adjustments to their business models in order to meet disruptive challenges from the digitalisation of media consumption and the rise of Big Tech social media platforms.

Traditional media is no longer the primary source of regular daily news for digitally adept Indonesians.¹ According to the Reuters Institute 2022 Digital News Report,² roughly 88 per cent of surveyed respondents regard online media—including social media—as their news source. In addition, social media platforms are the news source of choice for 68 per cent of the population. At the same time, the percentage of respondents who indicated television and print media as their preferred news sources were 57 per cent and 17 per cent, respectively. Juxtapose these numbers with the estimation that 70 per cent of Indonesia's online population is under the age of 35, most of whom are using social media platforms daily (Sinpeng and Tapsell, 2020), and we see an ageing population of traditional media consumers.

The rise of the digital has disrupted the traditional revenue model of the mainstream media industry. In 2021,³ television—the most popular medium in the country—held the top spot as the preferred platform for advertising. Meanwhile, other forms of traditional media, such as print media and radio, only accounted for 5.5 per cent and 0.4 per cent of all advertisement spending, respectively. Moreover, the challenges for print media have been even more significant; as subscriptions and paywalls became increasingly important for these media outlets to generate revenue, they had largely not been successful in making the transition to online due to their inability to garner enough subscriptions—only 19 per cent of Indonesians are willing to pay for online news.⁴

This overall decline in consumer and advertising in traditional media happened mainly due to digitalisation. The grip of Google and Meta in the digital world was apparent by 2017 when both companies accounted for 84 per cent of global digital media investments.⁵ This number was naturally followed by both receiving large shares of digital advertising, driving down the significance of the advertising middlemen, including the media. It also shifted the economic value of news from production to distribution almost entirely. While convergence enabled elements of the Indonesian mainstream media, such as news producers, to also become news

distributors in the early wave of digitalisation, a massive reallocation of revenue from news/content creators to platform owners started to occur. Digitalisation saw search engines and social media becoming the go-to places to find news (Whittaker, 2020). Increasingly, mainstream media outlets in Indonesia have felt compelled to align themselves with the playbook of these giant digital platforms.

The challenges of digitalisation for Indonesia's media conglomerates led to a significant shift within journalism, and financial rewards moved from the producer to the distributor. Given shrinking advertising dollars and the growing preference among the younger generation to consume their news via social media sites, Indonesia's media conglomerates were compelled to transition from the production of longer, in-depth journalism to shorter-form content that could be more easily digested online.

MEDIA CONVERGENCE

In addition, digitalisation paved the way for platform convergence. In responding to the fragmentation of advertising revenue from solely traditional media to traditional and online media, large media corporations have shifted their businesses into multi-platform companies by buying up smaller online outlets or creating new ones (Tapsell, 2017). This enabled them to disseminate their news publications via multiple content platforms, each usually containing similar information. In most cases, these common outlets are merged into one large newsroom for editorial, content or business purposes.

One of the most significant examples is MNC Media, Indonesia's largest television network, which is a part of a multinational conglomerate known as the MNC Group. It is owned by tycoon and chairman of the Perindo Party Hary Tanoesoedibjo. MNC Media has been integrating its newsrooms since 2016, essentially merging the news-gathering divisions of their four television channels (RCTI, MNCTV, GTV, and iNews) into one large division. The news gathered by this division is then supplied to all MNC television channels, including their digital platforms (e.g. Okezone.com, Sindonews.com, and iNews.id). On one hand, this approach can be seen as efficient. But on the other hand, this practice essentially removes a significant number of media-related jobs. This creates a single low-cost news-gathering pipeline that produces news which then can be aired—and, by extension, sold to advertisers in various media outlets, be it national, local, or digital.

By creating an umbrella company for these various channels, deciding what news to cover and what needs to be aired or published becomes easier and more efficient as only one director of news is needed for all of these media channels. Other than having an integrated newsroom for all video-format channels, MNC created a one-for-all newsroom for their online text-based outlets, called MPI (MNC Portal Indonesia). In contrast, the Kompas Gramedia Group, owned by late journalists Jacob Oetama and PK Ojong, has been approaching the idea of convergence differently and is creating a system of content sharing among all media outlets under their corporation without actually merging the newsrooms.

Regardless of the means to achieve convergence, at the end of the day, when large corporations with large numbers of outlets streamline their news gathering and production processes, there is always the possibility that this comes at the expense of a diversity of content and

perspectives. Newsroom integration decreases the diversity of perspectives that the different outlets used to have. One prevalent example of this is the practice of deploying one journalist to cover a particular event and then asking said journalist to send brief articles to the company's online media sub-team, longer articles to their print media sub-team, as well as requiring them to do live reports for their radio or television broadcast media, sometimes without adequate training or preparation.⁶

In Indonesia, media convergence has also paved the way for mainstream media corporations to penetrate other businesses outside the media industry, such as acquiring communications and network infrastructure. Many among the eight key players in the Indonesian media landscape (Syarief, 2022) now possess their own television companies, online streaming services, internet service providers, telecommunications companies, other communication infrastructures, or all of the above.⁷

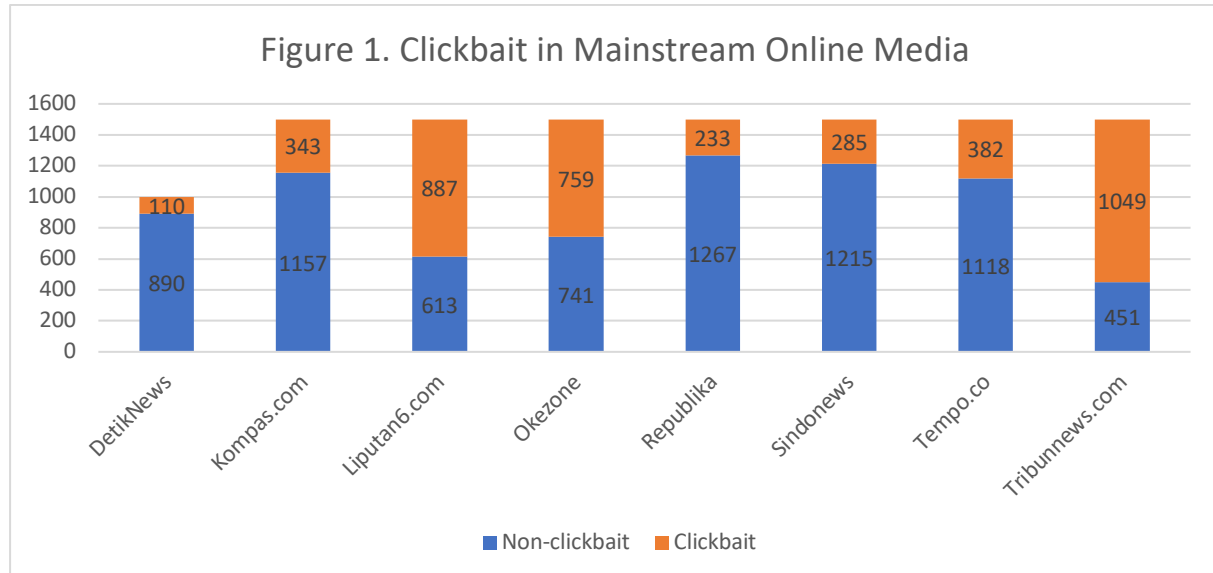
Such convergence of the media industry and the imperative to cut costs has led to massive lay-offs and the closing down of outlets. Within the past three years, several media companies have resorted to either of the two approaches. *Koran Sindo* (the only print newspaper of Hary Tanoesoedibjo's MNC Group) ceased their operations on 15 April 2023, while *Republika* (owned by the current Minister of State-Owned Enterprises, Erick Thohir), *Suara Pembaruan* (owned by Lippo's Berita Satu), *Koran Tempo* (part of the TEMPO Media Group), and *Indopos* (part of the Jawa Pos Group) closed down their print division to go fully digital.⁸ Meanwhile, mass lay-offs have been carried out by various outlets such as *Net TV* (owned by the Indika Energy Group, a conglomerate focusing on mining), *Berita Satu TV* (part of the Lippo Group), and *Kumparan* (supported by venture capital investments from Djarum's GDP and Go-Jek's Argor). AJI, the Alliance of Independent Journalists, estimated that there were nearly 1,000 journalists, mainly from mainstream media, who were laid off in 2023 alone.⁹ While the COVID-19 pandemic has had significant impact on the overall health of the media industry,¹⁰ it has also been used as a cover for lay-offs due to business restructuring.¹¹

Another common way of cutting costs within the media industry is to get rid of expensive news, especially if it is deemed as not bringing in enough of an additional audience. Indonesian news consumers are now seeing less and less investigative journalism and local news. Specifically for television channels, documentary programmes have generally been slashed. For example, *Kompas TV* and *Trans 7* are currently the only two outlets with specific documentary programmes, and even so, the quantity of such documentaries has been reduced significantly over the past decade. Within the larger television industry, the common practice is to replace expensive programmes with non-news features, social media trends, as well as commentary programmes (especially talk shows designed to be heated debates) that are largely cheaper to produce and that attract more emotional responses from the audience. This approach is useful in boosting viewership and social media engagement, including clicks from clips that get uploaded on other platforms after the shows conclude on television.

THE DUMBING DOWN OF CONTENT: THE USE OF CLICKBAITS

One notable shift in Indonesia's journalism landscape has been the prioritising of news that is more likely to generate clicks and engagement, even if it deviates from traditionally important news topics. This includes the rampant production of clickbait and sensationalist news

articles—from which the traffic is then used as part of the sales pitch by these media companies to advertisers. A dataset of clickbait in the Indonesian language (William and Sari, 2020)¹² actually shows how this is used among 12 online media websites—eight of which are mainstream media outlets, the focus of this paper. As shown in figure 1, all outlets are not immune to the use of clickbait, but some utilise it more than others.



Source: Adapted from William and Sari (2020)

While clickbait is used to simply attract more traffic for most media, it is worth noting that for Kompas Gramedia, the largest media conglomerate in Indonesia and owner of *Kompas.com* and *Tribunnews.com*, clickbait may also be used to offset the cost of their ‘good’ journalism such as lengthy investigative pieces¹³ and expedition features¹⁴ in *Kompas*, or *Kompas TV*’s documentary programmes. While Kompas Gramedia is generally seen as one of the most trustworthy media groups in Indonesia,¹⁵ one of their subsidiaries, *Tribunnews.com*—consistently in the top three of most visited media websites in Indonesia,¹⁶ has been heavily criticised for their tendency to publish low-quality clickbait articles. According to the media studies and monitoring institute *Remotivi*, it would seem that *Tribunnews.com* has been tasked by their parent company (*Kompas Gramedia*) with “stealing” as many clicks as possible while the rest of the members of the group are instructed to practice responsible journalism.¹⁷ What *Tribunnews.com* is essentially doing is producing sensationalist news with bombastic titles and headlines, from celebrity gossip to coverage of government policies. The consequences of this can be unexpected. *Remotivi* observed that during a series of terror attacks in Indonesia in the first half of 2018, *Tribunnews.com*’s publications ended up glorifying terror to muster clicks.

As views and clicks have become the new currency for online news media, TikTok has also become a platform of choice for the dissemination of news content. As of 2022, 90 per cent of Indonesia’s top news media publishers have routinely been uploading news content on TikTok, placing the country’s media on the top list of TikTok adoption followed by Australia (89 per cent), Spain (86 per cent), France (86 per cent), the UK (81 per cent), and the US (77 per cent).¹⁸

However, this trend has mainly put an emphasis on virality rather than quality. The general belief is that young people are more interested in entertaining news, or news stories that are packaged in more entertaining ways.¹⁹ This comes from the industry's own analysis of their broad social media reach/view reports, essentially showing that entertaining news and news packaged in a more accessible and entertaining manner are generally seen by more people without any further information on the consumers of the content. By combining the need of online media outlets to muster clicks and the tendency of reformatting news for social media, we now have the propensity of trivialising important stories.²⁰

OTHER TUSSLES WITH BIG TECH

The latitude for Indonesian media conglomerates to produce independent content is further crimped by the powerful influence of Big Tech companies. The most notable policy from Alphabet's Google to make sure they always have a say in the content that flows over news platforms is the creation of the Google News Initiative (GNI).²¹ Funding from GNI is often worded as "no strings attached".²² However, what these programmes generally do is assist news media in developing digital skills, offering them various resources such as training, tools, as well as funding and sponsorship, allowing Google to act as a media patron (Fanta and Dachwitz, 2020). While these partnerships have helped many local media outlets develop digital business models and increase their revenue or even combat disinformation, the initiative essentially pushes news media outlets to produce content tailored for specific platforms, such as YouTube, using technical and content practices aimed at aligning headlines with Google's search ranking algorithms. This makes it difficult to "sell" news that does not conform to these specifics.

Furthermore, as Google's power over the media industry strengthens, digital media outlets in Indonesia are now facing harsh realities in trying to defy their playbook. In an attempt to protect digital news outlets from losing advertising revenue to online aggregators, the Indonesian government, as well as Indonesia's Press Council and media associations, had been drafting a regulation, initially called the Publishers' Rights, aimed at providing a level playing field between domestic news industries and digital platforms. In this draft, tech giants are deemed to be benefitting from using and displaying news content without providing proper compensation to publishers.²³ This move has been rejected by Google on the grounds that the regulation is unworkable because it will give power to non-governmental agencies to determine what content is allowed to appear online and which publisher is allowed to earn revenue from advertising, without seriously addressing the initial complaints from the news outlets.²⁴ Meta shared the same sentiment, threatening to block news content from Indonesia on all their platforms, such as Facebook and Instagram.²⁵ The draft was finally passed on 20 February 2024 as a presidential decree titled "Responsibility of Digital Platform Companies to Support Quality Journalism". It necessitates the establishment of an independent committee to ensure the fulfilment of digital platform companies' obligations to "give (their) best effort" in facilitating and commercialising news by press companies, providing fair treatment to press companies, and designing news distribution algorithms that support quality journalism. However, as much as it forces the cooperation and profit sharing between digital platforms and press companies, the decree does not spell out how and in what proportion these cooperation and profit-sharing arrangements will occur.²⁶ Moreover, a mere one day after the decree was signed, Meta said that it had no obligation to pay for news content posted by Indonesian

publishers voluntarily.²⁷ While more details may emerge in the next six months during the formation of derivative regulations, it is quite apparent that everyone involved in the drafting of the decree are opting to be very cautious, so as not to offend these companies.

CONCLUSION

What needs to be addressed, then, is the urgency of finding new economic models that will allow mainstream media to thrive without compromising their journalistic quality. As it stands currently, large media companies might no longer serve the best interests of both the public and the media industry. Moreover, the Indonesian media's dependency on advertising needs to be revisited, while other schemes such as public funding warrants serious consideration. Although public funding for journalism organised by the state might be a long shot—as Indonesia's power structure might skew the outcome of it (Tapsell, 2020), limited public funding such as subscriptions or memberships needs to be promoted and woven into the media industry in order to ensure the media's commitment to the public interest and, at the same time, create an avenue for media diversification by allowing small, independent media companies—with no chance of competing in the capitalistic media landscape—to flourish.

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ENDNOTES

¹ Notable exception to this is during the 2024 election cycle, where Indonesians heavily utilised traditional media channels to get election-related news. See: <https://fulcrum.sg/indonesias-2024-presidential-campaigns-hyper-local-and-personal-touchpoints-matter-most/>

² https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2022-06/Digital_News_Report_2022.pdf

³ <https://tekno.kompas.com/read/2022/03/16/15010057/riset-nielsen-belanja-iklan-digital-naik-tembus-rp-41-triliun-pada-2021?page=all>

⁴ https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2023-06/Digital_News_Report_2023.pdf

⁵ <https://www.marketingweek.com/ritson-digital-duopoly-2018/>

⁶ The writer had personally experienced this, both as reporter and editor for such practice, during her time working as a journalist. Other examples of the ubiquity of this practice can be found in Souisa (2017).

⁷ <https://tirto.id/8-konglomerat-media-di-indonesia-via-jalur-media-tv-cetak-cEv7>

⁸ While none of their print newspapers have been closed down, Kompas Gramedia ended the print edition of four magazines/tabloids. Full list: https://bisnis.tempo.co/read/1743257/daftar-perusahaan-media-cetak-di-indonesia-yang-berhenti-terbit?page_num=2

⁹ <https://aji.or.id/sites/default/files/arsip/Draft-Final%20Laporan%20Situasi%20Kebebasan%20Pers%20%283%29%20layout%20A5.pdf>

¹⁰ <https://www.csis.org/blogs/new-perspectives-asia/newsrooms-crisis-covid-19-and-journalism-indonesia>

¹¹ <https://independen.id/read/media/1138/jurnalis-nurul-menang-gugatan-lawan-kumparan>

¹² The researchers annotated 1,000 to 1,500 articles published by 12 online media outlets between 10-21 September 2019 to separate clickbait and non-clickbait headlines.

¹³ Their investigative reporting on transnational online gambling was broken down into 19 longform articles which took two months to produce. This reporting led to a DDOS attack. See: https://www.kompas.id/baca/english/2023/12/14/en-judi-online-mengepung-indonesia-dari-kamboja-1?open_from=Search_Result_Page

¹⁴ For example, 29 journalists explored Papua and West Papua for 150 days for Kompas' *Ekspedisi Tanah Papua* (Papua Land Expedition) and produced 10 series of reports. See: <https://jelajah.kompas.id/episode/ekspedisi-tanah-papua-2021/>

¹⁵ https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2023-06/Digital_News_Report_2023.pdf

¹⁶ <https://www.similarweb.com/top-websites/indonesia/>

¹⁷ <https://www.remotivi.or.id/headline/esai/466>

- ¹⁸ <https://reutersinstitute.politics.ox.ac.uk/how-publishers-are-learning-create-and-distribute-news-tiktok>
- ¹⁹ From personal discussions with digital media manager of three mainstream media outlets and one independent media outlet in Indonesia.
- ²⁰ <https://theconversation.com/analisis-reynhard-sinaga-dan-kegagalan-ekosistem-media-daring-kita-129705>
- ²¹ <https://cmlabs.co/en-id/news/google-programs-to-support-indonesian-local-news-outlets>
- ²² This notion comes from personal discussions with digital media managers of three mainstream media outlets and one independent media outlet in Indonesia.
- ²³ <https://www.thejakartapost.com/indonesia/2022/02/08/government-expresses-support-for-publishers-rights-regulation.html>
- ²⁴ <https://indonesia.googleblog.com/2023/07/rancangan-peraturan-untuk-masa-depan-media-di-Indonesia.html?m=1>
- ²⁵ https://www.kompas.id/baca/humaniora/2023/08/11/meta-menolak-raperpres-jurnalisme-berkualitas?open_from=Search_Result_Page
- ²⁶ <https://setkab.go.id/inilah-perpres-32-2024-tentang-publisher-rights/>
- ²⁷ <https://www.channelnewsasia.com/asia/indonesia-digital-platforms-media-news-content-regulation-law-publishers-4136406>

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